

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

**FEE APPLICATION COVER SHEET**

IN RE: KLINE CONSTRUCTION  
CO., INC.

**APPLICANT: FOX ROTHSCHILD LLP**

CASE NO.: 19-25757 (JNP)

CLIENT: KLINE CONSTRUCTION CO., INC.

CHAPTER: 7, PREVIOUSLY 11

CASE FILED: AUGUST 14, 2019

CONVERTED: 9:00 AM - DECEMBER 23, 2019

COMPLETION AND SIGNING OF THIS FORM CONSTITUTES A CERTIFICATION UNDER PENALTY OF PERJURY,  
PURSUANT TO 28 U.S.C. SECTION 1746

RETENTION ORDER ATTACHED

**SECTION I -  
FEE SUMMARY**

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**FIRST AND FINAL FEE APPLICATION OF FOX ROTHSCHILD LLP  
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT  
OF EXPENSES AS COUNSEL FOR DEBTOR FOR THE PERIOD  
AUGUST 14, 2019 THROUGH DECEMBER 23, 2019**

Final Period

Fees (08/14/2019 – 12/23/2019)	\$ 501,969.50
Costs (08/14/2019 – 12/23/2019)	\$ 5,049.42

PREVIOUS FEES REQUESTED:	\$ 371,684.50
PREVIOUS COSTS REQUESTED	\$ 3,886.13
TOTAL FEES ALLOWED TO DATE:	\$ 297,347.60
TOTAL COSTS ALLOWED TO DATE:	\$ 3,886.13
TOTAL RETAINER (IF APPLICABLE)	\$ 0.00
TOTAL HOLDBACK (IF APPLICABLE)	\$ 74,336.90
TOTAL RECEIVED BY APPLICANT	\$ 145,604.30

**Summary of Fox Rothschild LLP's Monthly Fee Applications  
For Services Rendered and Reimbursement of Expenses for the Period of  
August 14, 2019 through December 23, 2019**

Date & Docket No.	Filing Period	Requested Fees	Requested Expenses	Fees (80%) Approved	Expenses (100%) Approved	Unapproved Holdback (20%)	Monies Received	Balance Due
Monthly Statement No. 1 [Dkt. No. 173]	8/14/19 <sup>1</sup> through 9/30/19	\$262,389.00	\$3,179.57	\$209,911.20	\$3,179.57	\$52,477.80	\$145,604.30	\$67,486.47
Monthly Statement No. 2 [Dkt. No. 217]	10/1/19 through 10/31/19	\$109,295.50	\$706.56	\$87,436.40	\$706.56	\$21,859.10	\$0.00	\$88,142.96
Monthly Period No. 3 <sup>2</sup>	11/1/19 through 12/23/19	\$130,285.00	\$1,163.29	\$104,228.00	\$1,163.29	\$26,057.00	\$0.00	\$105,391.29
<b>1<sup>st</sup> INTERIM &amp; FINAL</b>		<b>\$501,969.50</b>	<b>\$5,049.42</b>	<b>\$401,575.60</b>	<b>\$5,049.42</b>	<b>\$100,465.90</b>	<b>\$145,604.30</b>	<b>\$261,020.72</b>

<sup>1</sup> As permitted by the Order Authorizing the Employment and Retention of Fox Rothschild LLP as Bankruptcy Counsel to the Debtor and Debtor in Possession Effective as of the Petition Date ("Fox Retention Order") [Docket No. 166], the amount sought by Fox Rothschild LLP in its First Monthly Fee Statement includes \$50,862.00 (fees) and \$21.65 (costs) for a total of \$50,883.65 in necessary bankruptcy related pre-petition services performed and costs incurred between August 7, 2019 through August 13, 2019, the date prior to the date of filing on August 14, 2019.

<sup>2</sup> Invoice itemizing services rendered and expenses incurred for the period of November 1, 2019 through and including December 23, 2019 (conversion date) is attached hereto as **Exhibit B**.

Final Period  
August 14, 2019<sup>3</sup> through December 23, 2019 (Date of Conversion)

<b>Name of Professional</b>	<b>Position of Applicant / Year Admitted</b>	<b>Hours</b>	<b>Rate</b>	<b>Fee</b>
Michael J. Viscount	Partner, Admitted 1981	370.3	\$600.00	\$222,180.00
Martha B. Chovanes	Partner, Admitted 1988	210.7	\$550.00	\$115,896.00
Ian W. Siminoff	Partner, Admitted 1997	1.0	\$600.00	\$600.00
Susan F. Jordan	Partner, Admitted 1976	15.9	\$600.00	\$9,540.00
Andrew W. Bonekemper	Partner, Admitted 1999	0.2	\$565.00	\$113.00
Steven K. Ludwig	Partner, Admitted 1984	1.3	\$600.00	\$780.00
Eleanor V. Gerhards	Partner, Admitted 2007	7.8	\$460.00	\$3,588.00
Andrew M. MacDonald	Associate, Admitted 2011	5.0	\$425.00	\$2,125.00
Andrew S. Esler	Associate, Admitted 2014	3.6	\$375.00	\$1,350.00
Christina M. Sanfelippo	Associate, Admitted 2015	108.1	\$340.00	\$35,997.00
Jesse Harris	Associate, Admitted 2018	51.8	\$360.00	\$18,648.00
		0.2	\$350.00	\$70.00
Kathleen A. Senese	Paralegal	285.2	\$250.00	\$71,300.00
Robin I. Solomon	Paralegal	106.4	\$250.00	\$26,600.00
Cindy R. Bickel	Paralegal	0.4	\$250.00	\$100.00
Sarah Pennebaker	Research Assistant	3.6	\$125.00	\$450.00
<b>Subtotal Fees</b>		<b>1,171.50</b>		<b>\$509,337.00</b>
	50% reduction in non-billable travel fees			(\$7,367.50)
<b>Total Fees</b>				<b>\$501,969.50</b>

Interim and Final Period

August 14, 2019<sup>3</sup> through December 23, 2019 (Date of Conversion):

Fees Total – Section II, Page 5: \$ 501,969.50

Disbursements Total – Section III, Page 8: \$ 5,049.42

**TOTAL:** \$ 507,018.92

<sup>3</sup> As permitted by the Order Authorizing the Employment and Retention of Fox Rothschild LLP as Bankruptcy Counsel to the Debtor and Debtor in Possession Effective as of the Petition Date (“Fox Retention Order”) [Docket No. 166], the amount sought by Fox Rothschild LLP in its First Monthly Fee Statement includes \$50,862.00 (fees) and \$21.65 (costs) for a total of \$50,883.65 in necessary bankruptcy related pre-petition services performed and costs incurred between August 7, 2019 through August 13, 2019, the date prior to the date of filing on August 14, 2019.

## SECTION II SUMMARY OF SERVICES

Period: August 14, 2019<sup>4</sup> through December 23, 2019 (Date of Conversion)

SERVICES RENDERED	HOURS	FEE
<u>Accounting and Auditing (Q)</u> This project code includes Fox attorneys' review and analysis of the various Debtor's books, records, and related documents, and discussions with Debtors' management and professionals regarding same.	2.8	\$1,670.00
<u>Asset Analysis and Recovery (A)</u> Among other services, this project code includes services related to work of Fox attorneys to (1) understand the nature and extent of the assets of the estate to be sold or auctioned during the case, (2) identify assets of the estate including claims and potential claims against lenders, officers, directors, and (3) assessment of scope of potential purchasers.	19.2	\$7,848.00
<u>Asset Disposition (B)</u> Among other services, this project code includes (1) preparing and filing a motion to sell/auction Debtor's obsolete equipment, active involvement in auction preparation negotiations that resulted in ultimately approved by the Court in connection with the sale/auction of Debtor's unused equipment; (2) preparing and filing a motion to sell/auction the remainder of Debtor's assets, including negotiation of changes to the asset purchase agreement and proposed procedures for bidding at an auction of substantially all of the Debtors' assets, (3) support for the Debtors in briefing and at hearings to address objections to the proposed sale(s), sale and bidding procedures, and later objections to the sale and assumption and assignment of contracts, as proposed, (4) consultation with the Debtors, committee counsel, United States Trustee, and secured creditors	102.6	\$46,069.00
<u>Assumption/Rejection of Leases and Contracts (AA)</u> Review and analyze multiple office, property leases; respond to numerous inquiries from contract/lease counter parties seeking further information and adequate assurances; draft and efile motion to extend time to assume or reject unexpired leases	13.9	\$6,596.00
<u>Business Analysis (R)</u> Review of company's business and operating procedures and issues; review and revise business strategies; preparation and review of cash flow forecasts; review and assess insurance coverages and staffing issues	1.5	\$550.00
<u>Business Operations (C)</u> Issues related to debtor-in-possession operating in chapter 11 such as employee and vendor issues and other similar problems	89.7	\$49,232.00
<u>Case Administration (D)</u> Among other services, this project code includes Fox's filing of initial	200.2	\$66,469.00

<sup>4</sup> As permitted by the Order Authorizing the Employment and Retention of Fox Rothschild LLP as Bankruptcy Counsel to the Debtor and Debtor in Possession Effective as of the Petition Date ("Fox Retention Order") [Docket No. 166], the amount sought by Fox Rothschild LLP in its First Monthly Fee Statement includes \$50,862.00 (fees) and \$21.65 (costs) for a total of \$50,883.65 in necessary bankruptcy related pre-petition services performed and costs incurred between August 7, 2019 through August 13, 2019, the date prior to the date of filing on August 14, 2019.

<p>appearances, overseeing preparation and execution of Debtor's petition and supporting documents, including Debtor entity's authorizing resolution; preparation and filing of Debtor's first day motions and applications, including contacts, as necessary, with the Office of the United States Trustee and/or Chambers; preparation of statement of financial affairs, schedules and amendments; and general creditor inquiries (not otherwise coded under Code L)</p> <p>This project code also includes Fox's attention to various case administration services that were required and/or necessary for the effective and efficient administration of this chapter 11 case on behalf of the Debtor. Fox paraprofessionals kept the Fox team abreast of critical dates, the status of pending motions and applications before the Court, and other work in progress, and advised on the general day-to-day issues that arose during the case.</p>		
<p><b><u>Claims Administration and Objections (E)</u></b> Review claims as filed (115), chart and analyze same; attention to specific claim inquiries (not otherwise coded under Code Z). Further, Fox attorneys and paraprofessionals fielded and responded to numerous general inquiries from creditors and other parties in interest in these cases.</p>	46.8	\$15,237.00
<p><b><u>Conversion (X)</u></b> Conferences with client, multiple teleconferences with committee counsel, United States Trustee, secured parties, necessary to satisfy requirements for conversion; discuss alternatives to conversion; prepare debtor for closure upon conversion; negotiate an approved form of conversion order and coordinate entry of same with Chambers.</p>	15.0	\$8,245.00
<p><b><u>Corporate Governance and Board Matters (CC)</u></b> Attention to reorganization of corporate officers; preparation of resolution with regard to filing Chapter 11</p>	3.5	\$1,330.00
<p><b><u>Court Appearance (CA)</u></b> Preparation for and attendance at court required hearings, telephonic appearances, including many contested court hearings</p>	44.5	\$22,445.00
<p><b><u>Employee Benefits / Pensions (F)</u></b> Review issues such as severance, retention, 401K coverage and continuance of pension plan</p>	25.6	\$15,220.00
<p><b><u>Fee / Employment Applications (G)</u></b> Among other things, this code includes Fox's preparation of and/or attention to the filing and service of its retention application and certificate in support thereof as counsel to the Debtor. Fox also consulted with and assisted two financial advisors to the Debtor in preparing and filing retention application, ordinary course counsel and various professionals linked to the sale and auction of Debtor's obsolete equipment and the marketing and sale of Debtor's remaining assets. Further, Fox reviewed other retention applications filed.</p> <p>This task code also includes the time required to prepare Fox's monthly fee statements and assist in the filing of the financial advisor's fee statements.</p>	134.3	\$45,221.00
<p><b><u>Fee / Employment Objections (H)</u></b> Among other services, this project code includes Fox attorneys' litigation of retention application objections filed by the Office of the United States Trustee in concerning the debtor's retention of counsel, financial advisor and investment banker.</p>	130.7	\$57,135.00

<b>Financing / Cash Collateral (I)</b> This code pertains to matters under 361, 363 and 364 including cash collateral and secured claims; loan document analysis; preparation and filing of Debtor's motion for use of cash collateral of secured lenders Magyar Bank and Prestige Capital and related budgets and orders; Fox actively participated in the negotiation of objections to same, in an attempt to resolve said objections	157.8	\$80,077.00
<b>Labor Matters and Negotiations (Z)</b> This task code includes time required to address demands of labor unions and issues of employment and claims under multiple collective bargaining agreements, and negotiations to circumvent work stoppages	32.8	\$17,700.00
<b>Litigation (Other than Avoidance Action Litigation) (J)</b> Fox initially researched and determined the number of and status of the multiple state and federal court litigation matters involving the Debtor; Fox then analyzed and monitored each of the matters, including preparing and e-filing a suggestion of bankruptcy in each pending matter (approx. 25)	32.3	\$10,061.00
<b>Meetings and Communications w Creditors (L)</b> Communicated with and responded to general creditor inquiries; preparing for and attending the committee formation meeting and the 341(a) meeting, and other dealings with creditors	22.3	\$11,670.00
<b>Non-Working Travel<sup>5</sup> (DD) (full fees: \$14,735.00)</b> Fox attorneys were required to travel to and from the Debtor's court hearings and other work related meetings. Charges for this project code are billed at 50% of the billing professionals' regular hourly rate. [total: \$14,735.00 – <b>reduced by 50%</b> to \$7367.50]	25.2	\$7,367.50
<b>Plan and Disclosure Statement (M)</b> Formulation, presentation and confirmation; compliance with the plan confirmation order, related orders and rules; disbursement and case closing activities, except those related to allowance and objections to allowance of claims.	10.1	\$4,900.00
<b>Real Estate (EE)</b> Review and attend to certain tax sale notices together with secured lender (also refer to Code W)	0.2	\$120.00
<b>Relief from Stay Proceedings (N)</b> Matters relating to termination or continuation of automatic stay under 362.	36.6	\$15,057.00
<b>Reporting (GG)</b> This project code includes Fox attorneys' time prepare and submit Debtor's schedules of assets and liabilities and statement of financial affairs and any amendments to same; Fox attorneys counseled the Debtor and related professionals in matters related to the required Chapter 11 reporting requirements, such as United States Trustee interim statements and operating reports; coordination with respect to compliance activities	19.1	\$9,255.00
<b>Tax Issues (W)</b> Review various state and federal tax forms on behalf of the Debtor and consult with Debtor's tax counsel regarding forms and certain related claims and IRS demands; address issues with IRS; communications with the Debtor regarding state claims and IRS issues; review and analyze tax claim priorities	4.8	\$2,495.00
<b>SERVICE TOTALS:</b>	<b>1,171.50</b>	<b>\$501,969.50</b>

<sup>5</sup> Reflects 50% rate reduction due to non-working travel time.

Invoices itemizing the services rendered for the period of August 14, 2019 through and including October 31, 2019 are attached as exhibits to the previously filed Monthly Fee Statements Nos 1 and 2 and are incorporated herein by reference.

An invoice itemizing services rendered and expenses incurred for the period of November 1, 2019 through and including December 23, 2019 (conversion date) is attached hereto as Exhibit B.

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**SECTION III  
DISBURSEMENTS**

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Interim and Final Period  
August 14, 2019 through December 23, 2019 (Date of Conversion)

<b>DISBURSEMENTS</b>	<b>COST</b>
Court Filing Fees	\$ 2,047.00
Messenger/Delivery Charges	\$ 177.25
Messenger/Federal Express Charges	\$ 2,217.56
Mileage (Local)	\$ 75.18
Mileage (Out-of-Town)	\$ 531.86
Parking (Local Travel Expense)	\$ 40.00
Parking (Out-of-Town Expense)	\$ 60.00
Photocopying (1,689 pages @ \$0.20 per page)	\$ 337.80
Postage	\$ 471.95
Research (Westlaw)	\$ 37.12
Searches (Title, etc.)	\$ 596.70
State Fees (Document Retrieval)	\$ 119.00
Tolls (Out-of-Town)	\$ 55.00
Costs <i>Advanced</i>	\$ (1,717.00)
<b>DISBURSEMENT TOTALS:</b>	<b>\$ 5,049.42</b>

Invoices itemizing the expenses incurred for the period of August 14, 2019 through and including October 31, 2019 are attached as exhibits to the previously filed Monthly Fee Statements Nos 1 and 2 and are incorporated herein by reference.

An invoice itemizing the expenses incurred for the period of November 1, 2019 through and including December 23, 2019 (conversion date) is attached hereto as Exhibit B.

I certify under penalty of perjury that the foregoing is true and correct.

Dated: January 27, 2020

/s/ Michael J. Viscount, Jr.

Michael J. Viscount, Jr., Esquire

Martha B. Chovanes, Esquire